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ABSTRACT

This report considers the differences among displacement, outplacement, and inplacement and looks at the risks, benefits, and costs of each. Displacement is defined as the termination of employment with little attention given to corporate or individual needs. Outplacement is defined as the pre-planned management of employee termination, addressing the specific needs of the employer and the resultant needs of the employee. Inplacement is seen as having almost all of the characteristics of outplacement, except that while the individual position is lost, employment is not. The goals of outplacement counseling are listed and techniques used to meet those goals are discussed. Individual sheets are provided which list the benefits, risks, and costs of displacement, outplacement, and inplacement. An outline of outplacement and the organization is given, elements of a termination outplacement plan are listed, and an outline of outplacement or inplacement and the individual is provided. Outplacement counseling stages are presented in outline form and outplacement ethical issues are given, followed by a set of questions related to ethical issues. External versus internal services of outplacement are given and adult career transition issues and career development barriers are identified.
(NB)

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Displacement, Outplacement or Inplacement?

Options for Business and Industry

Presenter:

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Displacement, Outplacement or Inplacement:
Options for Business and Industry

"We all recognize that people will always be America's greatest single resource and people working in rewarding, permanent, meaningful jobs are the country's greatest strength and assurance of future progress and prosperity."

National Alliance of Business, 1984
Annual Report

About the Presenter:

Thomas J. Wiltzius is the Director of WILTZIUS ASSOCIATES, an Appleton, Wisconsin based career development firm serving Northeastern Wisconsin and bordering areas. Mr. Wiltzius has been providing career development services to business, industry and individuals for more than a decade. His firm specializes in customized employment testing, outplacement consultation and organizational career development. Tom Wiltzius also maintains an extensive private practice in career consultation, providing counseling services throughout the country.

DISPLACEMENT

Displacement is the termination of the employment relationship between an employer and one or more employees, where little, if any, attention or services are provided relevant to corporate or individual needs. Displacement is often completed or carried out without planning, outprocessing interviews, or referral to community resources.

OUTPLACEMENT

Outplacement is the pre-planned management of employee termination. Outplacement addresses both the specific needs of the employer and the resultant needs of the employee. Outplacement is designed to reduce the risks of displacement, while enhancing the benefits to both employer and employee(s).

INPLACEMENT

Inplacement has almost all of the characteristics of outplacement, with two exceptions: while the individual's position is lost, employment is not; and, organizational unrest can actually increase and become prolonged if the inplacement program is not carefully managed.

GOALS FOR OUTPLACEMENT COUNSELING

Displacement, Outplacement and Inplacement have benefits, risks and costs. Today experts indicate that nearly 80% of Fortune 500 companies are currently utilizing outplacement services for cost/benefit reasons.

Outplacement counseling is the provision of professional career services to individuals in career transition. The goals of out-placement counseling are:

- 1) To avoid or reduce the length of unemployment;
- 2) To minimize the economic costs of termination;
- 3) To minimize emotional and organizational disruption; and,
- 4) To emphasize positive career management options.

The stated goals of outplacement counseling are met by providing sensitive, balanced and objective career counseling. Individuals have the opportunity to evaluate themselves, review personal and economic goals, assume management of their own career directions, and develop and refine the skills that are necessary in a productive job search.

Formal career assessment and interpretation including interest, personality and aptitude instruments are made available. Expert consultation in job search strategies, resume development and interviewing skills are also provided. Referral to appropriate organizations for personal/professional development, recruitment or education and training can and should be offered, where appropriate.

DISPLACEMENT

-ORGANIZATIONAL FACTORS-

Benefits, Risks, Costs

The benefits of displacement are generally realized in short-term, time and cost measurements. Benefits are more likely to be realized with hourly employees or managers at entry level, especially if termination is on an individual basis.

Benefits

- * Consumes little time for management
- * Immediate in effect
- * Little or no pay continuance
- * Procedural by law, union contract, or organizational policy
- * Initiating problem concluded

Risks

- * Organizational Unrest
- * Sabotage
- * Behavioral Justification for:
 - a. Absenteeism
 - b. Transfer
 - c. Employee Theft
- * Community Image Diminished
- * Grievance or Law Suits

Costs

- * Increased use of unemployment insurance
- * Productivity lag in peers
- * Increase in organizational stress

Notes: _____

OUTPLACEMENT COUNSELING

-ORGANIZATIONAL FACTORS-

Benefits, Risks, Costs

The benefits to outplacement counseling are realized in tangible and intangible long term measures. Benefits are typically realized with executive management and professional staff on an individual counseling basis and with hourly employees on a group counseling basis using a seminar format.

Benefits

- * Minimized use of unemployment insurance
- * Untarnished community/public image
- * Organizational Stability
 - a. Work force attitudes/morale
 - b. Productivity
 - c. Time management
 - d. Customer/shareholder image
- * Minimization of Grievances or law suits
- * Alleviation of emotional reactions
 - a. Guilt
 - b. Hostility
 - c. Isolation
- * Recruitment advantage

Risks

- * Management vs. Union (negotiable benefit)
- * Commission employees
- * Outplacement process management

Costs

- * Use of organizational resources
- * Severance pay/salary continuations
- * Outplacement contract

Notes:

INPLACEMENT ASSESSMENT

-ORGANIZATIONAL FACTORS-

Benefits, Risks, Costs

The benefits to inplacement assessment are realized in both short term and long term measures. Services are typically provided in combinations of individual and group activities to all levels but executive.

Benefits

- * Eliminates use of unemployment insurance
- * Enhance internal and external image
- * Stabilizes organizational dynamics
 - a. Reduces insecurity reactions
 - b. Provides basis for optimism
 - c. Demonstrates commitment of organization to individuals
 - d. Maintains qualified staff resources
- * Eliminates grievances or law suits
- * Channels emotional reactions of affected staff
- * Reduces (or eliminates) severance pay

Risks

- * Management vs. Union (negotiable benefit)
- * Engages productivity vs. loyalty drift
- * Establishes political focal point
- * Increase of organizational unrest

Costs

- * Use of internal resources expanded
- * Salary maintenance
- * Selected use of external resources

Notes:

OUTPLACEMENT AND THE ORGANIZATION

I. Reasons for Individual or Group Terminations

- A. Performance or Productivity
- B. Reorganization or Consolidation
- C. Product or Service Discontinuance
- D. Economic, Technological or Political Pressure
- E. Social Discord
- F. Personality Discord
 - 1. Relationship
 - 2. Behavioral
 - 3. Ethical/Moral
 - 4. Policy/Philosophy

II. Outplacement Process

- A. Decision to Terminate
- B. Cost-benefit analysis
- C. Decision to Outplace - Activity Sequence
 - 1. Notice to consultant/counselor
 - 2. Termination Outplacement Plan (TOP)
 - 3. Notice to individual/group
 - 4. Introduction of consultant/counselor
 - 5. Implementation of TOP
 - 6. Employer feedback
 - 7. TOP evaluation

III. Outplacement Models

- A. External Counseling
- B. Recruiter Referral
- C. Inplacement Counseling and Assessment

TERMINATION OUTPLACEMENT PLAN

TOP Elements

- * Salary/Benefit continuation
- * Resource access utilization
- * Internal Search options
- * Duration of outplacement
- * Outplacement contract/conditions
- * Termination Notice to individual/group
- * Referral to outplacement
- * Feedback and Confidentiality
- * Internal communications
- * Union, non-union grievance issues

OUTPLACEMENT or INPLACEMENT AND THE INDIVIDUAL

I. Position Termination Notice

A. Reactions to Loss

1. Denial
 - a. Anger
 - b. Hostility
2. Avoidance
 - a. Guilt
 - b. Bitterness
3. Bargaining
4. Acceptance
5. Involvement

B. Immediate Concerns, Reactions or Fears

1. Survival - How will I pay the bills?
2. Security - Will I lose my home/car?
3. Image - What will my family think?

C. Significant Delayed Reactions/Fears

1. Confidence - I can't do anything right!
2. Esteem - I'm a failure!
3. Image - What will my colleagues/peers think?
4. Security - Am I employable?
5. Direction - Where could I go from here?
6. Survival - How much will I lose?
7. Stability - How can I possibly start all over?

OUTPLACEMENT or INPLACEMENT AND THE INDIVIDUAL cont.

II. Counseling Stages

- A. Establishment of Relationship
- B. Review of Ground Rules
- C. Counseling Process
 - 1. Therapeutic Stage
 - 2. Assessment Stage
 - 3. Focusing Stage
 - 4. Organizing Stage
 - 5. Mobilization Stage
 - a. Direct Employment Option
 - b. Training Option
 - 6. Termination of Counseling

OUTPLACEMENT COUNSELING STAGES

- I. Relationship
 - A. Trust
 - B. Rapport
 - C. Confidence
- II. Ground Rules
 - A. Organizational Expectations
 - B. Outplacement / Inplacement Procedures
 - C. Resource Availability
- III. Therapy Stage
 - A. Managing Loss (Job, Image, Credibility)
 - B. Reducing Guilt or Sense of Failure
 - C. Communicating to Others
 - D. Managing or Reducing Fears
 - E. Gaining Optimism and Motivation
- IV. Assessment Stage
 - A. Past Accomplishments
 - B. Skills, Abilities and Aptitudes
 - C. Personal Characteristics
 - D. Life-Goals, Personal Factors
 - E. Employment Expectations
 - F. Work Orientation and Attitudes
 - G. Interests, Needs and Wants

OUTPLACEMENT COUNSELING STAGES cont.

V. Focusing Stage

A. Career Options

1. Realistic
2. Unrealistic

B. Avocational Options

1. Individual
2. Family
3. Social
4. Community

VI. Organizing Stage

A. Research

B. Evaluation

C. Planning and Prioritization

VII. Mobilization Stage

A. Options/Alternatives Review

B. Decision-making

1. Direct Employment
2. Training/Education
3. Avocational

C. Preparation for Re-Employment

1. Job Search Planning and Development
2. Resume and Communications Development
3. Networking and Interviewing

VIII. Termination of Counseling

A. Assessment of readiness

B. Review of options

C. Follow-up

D. Closure

OUTPLACEMENT

ETHICAL ISSUES

Confidentiality

- Qualifications of Staff
- Organizational Objectives
- Organizational Resources
- Conflicts of Interest
- Fee Payment

Questions to Ask

- 1) Who has access to counseling records, assessment results, anecdotal records or communications?
- 2) Are outplacement providers qualified and experienced counselors or psychologists with demonstrated training, credentials or degrees in fields of career development? Are they qualified to provide necessary therapeutic counseling?
- 3) Does the organization providing outplacement specialize in career development services or are such services a sideline or filler within the organization?
- 4) Does the outplacement service come with immediate access to and inclusion of necessary assessment, technical and clerical support? Are they able to network for allied services?
- 5) Does the outplacement organization represent real or perceived conflicts of interest such as providing placement at additional individual expense, or with prospective employer paid fees.
- 6) Does the outplacement firm represent or serve as an extension of any educational institution such as a college or university?
- 7) Are fees paid by the hour, by individual contract or retainer and are any guarantees made?

OUTPLACEMENT

EXTERNAL vs. INTERNAL SERVICES

- * Patronization perception
- * Bias perception
- * Staff qualifications
- * Access to resources
- * Time available
- * Location
- * Staff Morale
- * Trust and Rapport

ISSUES & BARRIERS

Adult Career Transition Issues

- Fears
 - of Unknown
 - of Failure
 - of Loss (Comfort)
 - of Reputation
 - of Rejection
- Shock
 - initial loss
 - residual losses
 - unanticipated transitions
- Stress
 - employment
 - economic > Losses
 - social
 - geographic
 - status
 - economic > Adjustments
 - job

Adult Career Development Barriers

- Malaise
 - Career Unrest
 - Social Unrest
 - Spiritual Unrest
- Developmental Decline
 - Process development
 - physical
 - intellectual
 - emotional
 - spiritual
- Professional Development
 1. Educational Access
 2. Saturation
 3. Relevancy

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